

inBrief

**Proposed Enhancements to ADGM Transfer Schemes**

By Abdus Samad and Luca Rayes Palacín | 27 August 2026

The Financial Services Regulatory Authority (FSRA) of the Abu Dhabi Global Market (ADGM) has issued Consultation Paper 2 of 2026 (the **Consultation Paper**), proposing enhancements to the regime governing the transfer of certain financial services business (**Transfer Schemes**) under Part 7 of the Financial Services and Markets Regulations 2015 (FSMR).

A Transfer Scheme is defined under the FSMR as a scheme resulting in the transfer of:

- a) the whole or part of a business carried on by an FSRA-licensed entity or an investment exchange or clearing house authorised by the FSRA to provide trading or clearing services in the ADGM;
- b) the whole or part of a business carried on in the ADGM by a firm operating through a branch, or by an overseas investment exchange or clearing house recognised by the FSRA to operate in the ADGM remotely; or
- c) fund property to another fund.

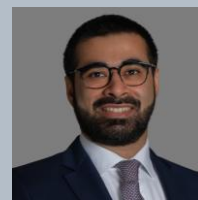
The main proposals in the Consultation Paper are:

- limiting the requirements for mandatory court sanction of certain Transfer Schemes; and
- the introduction of a new “**Modified Transfer Scheme**” regime permitting certain transfers to proceed without court sanction.

The Consultation Paper will be of particular interest to businesses providing financial services in or from the ADGM, parties interested in acquiring or divesting the whole or part of a financial services business in the ADGM, and their respective professional advisors.

Narrowing mandatory court sanction

Currently, the FSMR mandates that all Transfer Schemes (excluding those involving ADGM-domiciled funds, which are dealt with separately under the ADGM Funds Rulebook) receive court sanction before taking effect.

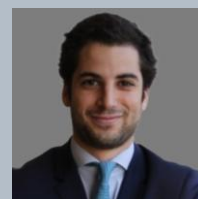
The Authors

Abdus Samad

Partner

asamad@afриди-angell.com

Abdus Samad (Samad) advises foreign and UAE clients on general corporate, commercial and other matters relating to the conduct of business in the region. Samad has extensive knowledge and experience in cross-border matters including complex acquisitions and divestitures, joint ventures, restructurings and reorganisations. Samad has been ranked as “Next Generation Partner” for commercial, corporate and M&A, in Legal 500 EMEA.



Luca Rayes Palacín

Associate

lrayespalacin@afриди-angell.com

Luca is based in Afridi & Angell's ADGM office and maintains a broad practice that spans financial services regulation, fund formation and management, cross-border and domestic mergers and acquisitions, corporate restructurings and capital markets. His practice extends to compliance, corporate governance and transactional advice. He also advises on Federal and ADGM-related employment issues.

The FSRA's proposals aim to narrow the scope of mandatory court sanction to apply only to transfers of insurance business, save for the following two exclusions (being transfers for which court sanction would *not* be required and would become optional):

- a) intragroup transfers of insurance business where the consent of all policyholders has been obtained; and
- b) transfers of reinsurance business where the consent of all policyholders, represented by the ceding insurer, has been obtained.

For all other transfers (including the two examples identified immediately above), court sanction would become optional rather than mandatory.

Modified Transfer Schemes — the new safeguards

Where a firm proceeds to implement a transfer scheme without court sanction, the proposed changes would require the transfer to satisfy minimum conditions to qualify as a Modified Transfer Scheme, including the provision of: (i) advance written notice to the FSRA; (ii) direct written notice to affected clients explaining the transfer's likely impact on them; and (iii) public notice of the proposed transfer.

Banks (and the two insurance business exclusions described above) shall be subject to a further requirement: they must obtain a 'no-objection' from the FSRA before proceeding.

Next steps

The FSRA will accept comments on the proposed changes until 21 September 2026, after which date it will consider any modifications before enacting the amendments. While no action should be taken on the basis of the proposals until the relevant rules are published, firms anticipating business transfers or currently relying on the Part 7 process should begin to consider how they may be affected by the new regime. ■

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